

MINUTES OF THE UNEMPLOYMENT INSURANCE BOARD ANNUAL MEETING

May 2, 2007

INDIANA GOVERNMENT CENTER SOUTH

10 N. SENATE AVENUE, ROOM 301A

INDIANAPOLIS, IN 46204

Members present were Brent Schoolcraft, President; Samuel Schlosser, Vice-President; Barry Baer (via phone), Tom Hargrove (via phone), and Dave Thomas. Also in attendance were Andrew Penca, Commissioner; Scott Sanders, Chief Financial Officer; Teresa Voors, Chief Counsel and Director of Policy; John Ruckelshaus, Deputy Commissioner of Government Affairs and Laura Merrion, Director for UI Tax. It was acknowledged that there was a quorum present.

The guests present were Tom Marendt, Oversight Director and Marsha Feltner, the past Clerk for the UI Board.

The meeting was called to order by Brent Schoolcraft at 10:06 am.

COMMISSIONER'S REPORT:

Andrew Penca, Commissioner, provided an overview of activities at the agency since the last UI Board meeting. Mr. Penca commented on the promotion of Laura Merrion to Director of UI Tax, the recent success of the Workforce Literacy Pilot Programs, and the successful rollout of the debit cards used for unemployment insurance payments. Other personnel changes communicated by Commissioner Penca were the hiring of Dale Wengler as the Deputy Commissioner of Customer Solutions in charge of the WorkOne centers around the State and Mary Johnson as Director of Human Resources. Ms. Johnson is replacing Robyn Whalen who is leaving the agency and is moving to St. Louis. He thanked Ms. Whalen for her work in transforming the agency over the past two years. Commissioner Penca also touched on the progress of Uplink.

Commissioner Penca responded to questions from Board members regarding meetings with legislators and the change in customer flow in the WorkOne centers as a result of Uplink (the ability to file unemployment claims online).

OLD BUSINESS:

A motion was made by Mr. Baer to accept the minutes from the April 4, 2007 meeting, seconded by Mr. Schlosser and unanimously approved.

Mr. Sanders, in Mr. McCoskey's absence, commented on the draft version of the UI Board's Annual report and the timeline for distribution. He also commented on work on next year's report as well activities in the various regions to promote job growth.

Mr. Ruckelshaus then provided a legislative update. He reported that 583 bills were introduced in the Senate and 837 bills in the House with only 137 passed by both chambers. Passed bills affecting Workforce Development include Senate Bill 185, which is for job training for National Guard members and their spouses and Senate Bill 345, which eliminated the vocational technical proficiency panel. In addition, the Workkeys funding was extended to the year 2012. The only proposed bill that did not pass was Senate Bill 400, which would have created a basic skills tax credit for employers. The bill may be reintroduced next session. With the session concluded, Mr. Ruckelshaus would be traveling the State meeting with legislators, Workforce Board Chairs and area officials.

Mrs. Voors then provided an update on current UI Board vacancies. She anticipates that new members will be attending the meeting in June. Mr. Schoolcraft noted there were four vacancies and Mrs. Voors believed three would be filled by June. Mr. Baer asked if there were problems in filling the positions or just a slow process. Mrs. Voors responded it was just merely the process.

NEW BUSINESS:

In the area of new business, Laura Merrion gave an overview of the Collection Update as of May 2, 2007. The update shows that the number of employers with outstanding balances is approximately 17,000 with a \$6.6 million penalty owed. For the year 2007 we have received \$5.6 million with \$4.8 million being applied to the UI Trust Fund. There were 55 lawsuits filed for a total of \$2.5 million.

Mrs. Merrion referred to an article from the Indianapolis Business Journal dated April 23, 2007, wherein it stated that in fiscal 2006, \$613.8 million was collected in UI taxes. Lawsuits have been filed for \$2.5 million for delinquent outstanding debt. The article reported that Indiana is in line with the national expected range according to the United States Department of Labor.

Mr. Schoolcraft asked if Mr. Hargrove and Mr. Baer had received copies of the reports. Mr. Baer questioned the dollar amount collected from delinquent accounts for the entire year for 2006. Mrs. Voors responded that we had to do additional measures to collect dollars. Mr. Baer noted that we are going after the \$66 million and Mrs. Voors responded yes. She also noted that people are delinquent every day. The Department is considering linking with the IDOR's collection agency to improve collections. Mrs. Voors reiterated that Mrs. Merrion collected the money, not the Attorney General.

Mr. Schoolcraft questioned the number of employers with outstanding balances being up a little bit. He asked if that was something unusual. Mrs. Merrion reported that the first quarter is usually the highest.

Mr. Baer asked a question regarding the Monthly Report that talks about other resolutions regarding what has been obligated to what is available. Mr. Sanders explained that the

money is pulled from the UI Fund. Some resolutions being rescinded have gone back to the P & I Fund. Mrs. Voors reported these are monies that Workforce Development has planned to spend, and what we do not use, will go back into the Fund. The Major Opportunities Program is \$2,000,000 yearly being used primarily for minority training pursuant to the Major Moves Bill that passed a year ago. Mrs. Voors and Mr. Ruckelshaus will be working on additional uses for the P & I dollars in the next session. Mr. Baer offered to go meet with people if necessary. Mrs. Voors reported that they would be introducing programs to the Board and Mr. Ruckelshaus can begin working with the legislators.

Mr. Schoolcraft read a Resolution thanking past President Bob Dickerson for his service. Mr. Thomas made a motion to accept said Resolution which was seconded by Mr. Schlosser. Said motion was approved.

Mr. Sanders wanted to update the Board on personnel changes made by Mr. McCoskey. Mr. McCoskey has done some restructuring of his department. One change is that Diana Gushrowski has set up a unit focusing on customer issues. Mrs. Gushrowski has been with the Agency for 20+ years. Also, Sarah Dixon is now Director of Claims and Adjudication area. Mr. Sanders also reported that the Trust Fund accounting is going back under finance.

Mr. Sanders noted that Cindy George was taking over as Clerk for the Board; explaining that Marsha Feltner had previously been under UI, but is now under Oversight. Mr. Sanders presented Marsha Feltner with a certificate thanking her for her many years of service. Mr. Schoolcraft and Mr. Baer also thanked her as well.

PRIVILEGE OF THE FLOOR: Mr. Schoolcraft concluded agency items.

Next board meeting will be July 5, 2007.

ADJOURNMENT: Mr. Schoolcraft opened the floor and asked for motion to adjourn. Mr. Schlosser moved to adjourn at 10:50 am and said motion was seconded and approved.